



**Financial and Audit Oversight Committee ("FAOC")
Meeting Action Report**

Committee: Financial and Audit Oversight Committee ("FAOC")

Members: Representative Larry Romero (Chair)
Representative Emma Acosta
Representative Courtney Niland
Representative Eddie Holguin Jr. (Not Present)

Non-Members: Carmen Arrieta-Candelaria, CFO
Dr. Mark Sutter, City Comptroller
Sylvia Firth, City Attorney
Bruce Collins, Purchasing Director
Ellen Smyth, Environmental Services Director

Staff Assignee: Edmundo S. Calderon – Chief Internal Auditor

Meeting Date/Time: Monday, February 24, 2014 – 1:11 P.M.

1. Call to order and introductions.

Chair Larry Romero called the meeting to order at approximately at 1:11 P.M. MST.
It was determined that there was a quorum.

2. Approval of Minutes for the Financial and Audit Oversight Committee meeting of January 27, 2014. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Motion made by Representative Niland, seconded by Representative Acosta and unanimously carried to approve the minutes for the Financial and Audit Oversight Committee ("FAOC") Meeting of January 27, 2014.

AYES: Representative Niland, Representative Acosta, Representative Romero
NAYS: None
ABSTAIN: None
ABSENT: Representative Holguin

3. Discussion and presentation on the audit process to include: (a) the preparation of Annual Risk Assessment & Audit Plan, (b) selection of areas to audit, (c) and the Follow-Up Audit procedures. [Internal Audit, Edmundo Calderon, (915) 212-1365]

Edmundo Calderon, Chief Internal Auditor, explained the procedures of the audit process with the introduction of a flow chart. He also explained the preparation of the Annual Risk Assessment and Audit Plan, the selection of areas to audit and the Follow-Up Audit procedures. Representative Romero asked a few question which were answered by Mr. Calderon.

No action was taken on this item.

4. Discussion and action on Environmental Services Purchasing Audit dated August 08, 2013. [Internal Audit, Edmundo Calderon, (915) 212-1365].

Edmundo Calderon, Chief Internal Auditor, explained that he would go through each individual finding and give the committee a detailed explanation of each finding, of the recommendation and on the current status of the corrective action being taken by the Environmental Services so that the committee may have a clear understanding of the situation in its entirety. Bruce Collins, Purchasing Director; Ellen Smyth, Environmental Services Director; Mark Sutter, Comptroller; Sylvia Firth, City Attorney and Carmen Arrieta-Candelaria, Chief Financial Officer were all present to address and explain questions in regards to policies, procedures, bidding process, purchase order and voucher procedures that were asked by the FOAC board members. Representative Niland expressed the importance of discussing the lapse in findings and would like to establish policies and procedures immediately. Items purchased without a purchase order were discussed. Mr. Calderon explained that a follow-up audit would be performed that will be scheduled after September 2014. Representative Acosta stated that there's a miscommunication between departments that need to be addressed. Representative Niland stated that she looked forward to the recommendations being implemented by the Ms. Smyth.

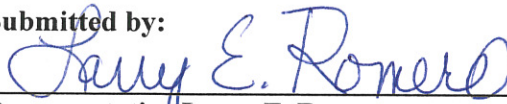
No action was taken on this item.

5. Adjournment

A motion to adjourn was made by Representative Emma Acosta. The motion was seconded by Representative Courtney Niland.

Meeting adjourned at approximately at 2:41 P.M MST.

Submitted by:



Representative Larry E. Romero
Chair, Financial and Audit Oversight Committee



Edmundo S. Calderon – Chief Internal Auditor,
Internal Audit Office